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**Introduced by Senator Berryhill**

February 21, 2013

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An act to amend Section 17053.75 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 471, as introduced, Berryhill. Personal income taxes: credit.

The Personal Income Tax Law allows for various tax credits in computing the taxes imposed by that law, including a credit against "net tax" for the taxable year in an amount equal to 5% of qualified wages received by a taxpayer attributable to services performed in an enterprise zone during the taxable year.

This bill would make a technical, nonsubstantive change to that provision.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 17053.75 of the Revenue and Taxation
- 2 Code is amended to read:
- 3 17053.75. (a) There shall be allowed as a credit against the
- 4 "~~net tax~~" ~~(as tax,~~ as defined by Section ~~17039~~) 17039, for the
- 5 taxable year an amount equal to five percent of the qualified wages
- 6 received by the taxpayer during the taxable year.
- 7 (b) For purposes of this section:
- 8 (1) "Qualified employee" means a taxpayer who meets both of
- 9 the following:

1 (A) Is described in clauses (i) and (ii) of subparagraph (A) of  
2 paragraph (4) of subdivision (b) of Section 17053.74.

3 (B) Is not an employee of the federal government or of this state  
4 or of any political subdivision of this state.

5 (2) (A) “Qualified wages” means “wages,” as defined in  
6 subsection (b) of Section 3306 of the Internal Revenue Code,  
7 attributable to services performed for an employer with respect to  
8 whom the taxpayer is a qualified employee in an amount that does  
9 not exceed one and one-half times the dollar limitation specified  
10 in that subsection.

11 (B) “Qualified wages” does not include any compensation  
12 received from the federal government or this state or any political  
13 subdivision of this state.

14 (C) “Qualified wages” does not include any wages received on  
15 or after the date the enterprise zone designation expires, is no  
16 longer binding, or becomes inoperative.

17 (3) “Enterprise zone” means any area designated as an enterprise  
18 zone pursuant to Chapter 12.8 (commencing with Section 7070)  
19 of Division 7 of Title 1 of the Government Code.

20 (c) For each dollar of income received by the taxpayer in excess  
21 of qualified wages, as defined in this section, the credit shall be  
22 reduced by nine cents (\$0.09).

23 (d) The amount of the credit allowed by this section in any  
24 taxable year shall not exceed the amount of tax that would be  
25 imposed on the taxpayer’s income attributable to employment  
26 within the enterprise zone as if that income represented all of the  
27 income of the taxpayer subject to tax under this part.